

April 5, 2013

Dear Congressional House Members Lynn Jenkins and Joseph Crowley:

Please have your tax writers rethink and then rewrite the Marriage Tax Penalty law. I prepared my son and daughter-in-law's federal tax return for 2012. The couple were married in April, 2011. They changed their W-4 payroll classification from Single-1 to Married-1 in late 2011. After I completed their return, I was hit by a big surprise of underpayment of taxes. Of course, I thought I made a huge error in my calculation. I had my two family members check with their employer's HR department. Everything was prepared and done correctly. My daughter-in-law sent me an e-link about the Marriage Tax Penalty. Could that be the culprit, she asked? It certainly was.

That Marriage Tax Penalty as you probably well know, has two wallops: (1).The tax withholding tables for Married people are way understated when the two spouses earn about the same amount of wages. That withholding table has to change. No one likes surprises. Our Federal Government would benefit with a withholding table change so they can collect their tax dollars quicker and save borrowing costs. Our married couples who earn similar wages would not be shocked when they learn they need to come up with thousands of dollars within days of the tax deadline. Of course, I should have known the negative effects of the tax law ramifications. (2). Now comes the FAIRER part of the current law. I did a pro-forma tax return as each were single individuals. I added the two single returns together. The total tax liability of the two single returns was \$1,400.00 lower than the Married filing Jointly sole return. Now I know the penalty effect on married taxpayers. I know the tax tables are progressive in nature and they should be. The more you make, the higher the tax. But, let's be FAIR to Married couples. They chose Married life which society wants to promote. Why penalize them with unfairness in the tax code? A quick solution would be to include a tax credit similar to the state of Wisconsin's state return. It is called the, "Married Couple Credit When Both Spouses are Employed." Talk to your two colleagues on your Ways and Means Committee from Wisconsin, Mr. Paul Ryan and Mr. Ron Kind, about that tax credit feature. Please add some fairness to the tax code. I saw the famous quote by Judge Oliver Wendell Holmes which is engraved at the top of the U.S. Treasury building in Washington, D.C.- "Taxes are the cost of living in a civilized society." I agree with that quote. However, Mr. Levin is right, Taxes should be simple, fair and adequate.

Sincerely,

John H. Molchany